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ESTABLISHED 1867

U.S. Trade Gap Widens; Dollar Is Down Sharply

By Stuart Aucbach
Washington Post Service
WASHINGTON — The U.S. merchandise trade deficit rose to \$14.4 billion in May, breaking a two-month streak of improving trade figures that had led to predictions that five years of record deficits had ended, the Commerce Department said Wednesday. The report sent the dollar tumbling against other major currencies.
The dollar, after showing strength over the past week, lost two percent against the Deutsche mark to close in London at 1.8285 DM. With some market participants convinced the dollar has to fall further to correct the deficit, the U.S. currency also slumped by more than two yen, to finish at 148.65 yen. See Page 9.
The major cause of the 8 percent increase in the U.S. trade deficit from \$13.3 billion in April was record imports, totaling \$34.8 billion. This figure surprised forecasters, some of whom had predicted the overall deficit would fall to around \$13 billion. The previous import record, \$34.7 billion, was recorded in March, when the total deficit was \$13.6 billion.
But economists noted that the falling value of the dollar, which helps U.S. overseas sales, also increases the price of imported goods and makes the actual volume of goods appear larger.
But the May figures contained a big bright spot for American competitiveness — the fourth straight month of increases in U.S. sales overseas and the third straight month when those sales exceeded \$20 billion. Further, the export surge was carried by a 2.1 percent increase in overseas sales of manufactured goods, an area of recent U.S. sluggishness.
The increase in the trade deficit came as the Senate was debating a major trade bill, which became stalled Wednesday over several largely unrelated issues. These included the renegotiating of trade agreements with the Gulf and an effort by oil state



A helicopter and a winchman lifting a woman to safety from the French campground that was struck by a mudslide.

Mudslide Kills 22 At French Campsite

The Associated Press
ANNÉCY, France — Fifty persons were killed or reported missing after a massive mudslide collapsed over a campsite on a mountain ridge in the French Alps on Tuesday. The mudslide, which was 100 meters wide and 100 meters deep, swept into a campsite filled with vacationers near here, authorities said Wednesday.
Hundreds of rescue workers were digging through dirt and rocks in the French Alpine village of Le Grand Bornand. By midday, the death toll had reached 22, with 28 others feared dead. Ten persons were seriously injured and dozens were treated for shock.
A statement from the government of the Haute Savoie region said 17 of the dead were found at the campground or along the route of the torrential current. Swiss police said they found an 18th body in the Arve River on the outskirts of Geneva, 30 miles (48 kilometers) northwest of Le Grand Bornand. Officials in Annecy said that Swiss police had reported seeing four bodies that still have not been recovered.
The dam of rocks holding back the Arve River near the village

Poindexter Says He Kept Key Details From Reagan

The President Can't Recall Signing Deal

United Press International
WASHINGTON — President Ronald Reagan, watching his former national security adviser, Rear Admiral John M. Poindexter, testify before the select committees investigating the Iran-contra affair, does not recall signing a December 1985 finding that authorized an arms-for-hostages deal with Iran, Mr. Reagan's spokesman said Wednesday.
"The president still believes in his mind that it started as a strategic opening to Iran attempting to establish contact with Iranian moderates, said the chief White House spokesman, Martin Fitzwater.
Criticized by testimony that he was not told of the diversion of Iran arms sales profits to the Nicaraguan rebels, a buoyant Mr. Reagan said Wednesday: "What's new about that? I've been saying it for seven months."
He made the comment to a shouted question as he walked back to the White House from the Executive Office Building where he addressed a minority business group.
Speaking of the finding authorizing the exchange of arms for hostages, Mr. Fitzwater said, "He does not remember he signed it, though he doesn't disagree with those who say he did."
Mr. Fitzwater added that "the president still believes he was trying to have a strategic opening to Iran" rather than authorizing an arms-for-hostages swap.
"The admiral, himself, said it was a cover-your-ass memo," Mr. Fitzwater noted. "He does not remember signing it."
He said that the president was watching the hearings on Wednesday.
Admiral Poindexter testified that the finding was to cover arms transfers to Iran that already had taken place. He said he later destroyed the finding because it would be a "significant political embarrassment."
New Aid Request Planned
Lou Cannon of The Washington Post reported earlier.
Mr. Reagan will attempt to capitalize on public support for Lieutenant Colonel Oliver L. North by asking Congress to provide increased long-term military aid for the Nicaraguan rebels, according to White House officials.
Mr. Fitzwater said that testimony by Colonel North had been "helpful" to Reagan administration efforts to build public support for the rebels.
He said that Mr. Reagan was considering asking Congress to fund the rebels, who are known as contras, for an 18-month period extending into the next administration when the current appropriation runs out in October.
Administration officials said they were discussing a new request of about \$140 million, up from a pending budget proposal of \$105 million.
On Tuesday, Mr. Reagan urged continued aid for the rebels and said, "A disinformation campaign by the Sandinist government has kept the American people from knowing a lot of the truth about the situation down there."
White House officials were buoyed by the findings of Richard B. Wirthlin, the administration pollster. In an overnight survey, 600 people were asked, "Would you support additional military aid to the contras who are fighting the Nicaraguan government?"
The poll, taken before testimony on Tuesday, found that 48 percent



Rear Admiral John M. Poindexter

Didn't Relay Diversion of Contra Funds

The Associated Press
WASHINGTON — Rear Admiral John M. Poindexter testified Wednesday that he deliberately never told President Ronald Reagan about the diversion of Iranian arms sale profits to the Nicaraguan rebels to shield Mr. Reagan from political harm.
However, in his nationally televised testimony to Congress, Admiral Poindexter said that contrary to Mr. Reagan's oft-stated assertions, the president initially signed a "finding" approving the sale of weapons to Iran as a straight arms-for-hostages swap.
Admiral Poindexter is the president's former national security adviser. The December 1985 finding signed by Mr. Reagan retroactively authorized involvement by the Central Intelligence Agency in a November 1985 shipment of Hawk missiles to Iran.
The admiral told the House and Senate committees investigating the Iran-contra affair that he later destroyed the document bearing Mr. Reagan's signature to spare him political embarrassment.
"I tore it up and put it in the burn bag behind my desk," Admiral Poindexter said, after Attorney General Edwin Meese 3d told him on Nov. 21 that he was beginning an inquiry into the arms sales.
Of the decision to divert profits from the sales to the Nicaraguan rebels, he said: "I made a very deliberate decision not to ask the president so that I could insulate him from the decision and provide some future deniability for him if it ever leaked out."
He conceded that he realized if word of the diversion got out, it would be a significant political embarrassment to the president.
Echoing a statement made frequently by Mr. Reagan, he added: "The buck stops here with me."
At the same time, Admiral Poindexter said he was certain that, had he taken the Reagan to Mr. Reagan, the president would have approved it because it was a good idea.
Admiral Poindexter spoke calmly and occasionally puffed on his pipe as he described events at the very highest levels of the Reagan administration. On two central points, he portrayed himself as a loyal staff aide determined above all to protect his president from political damage.
"I wanted the president to be protected" if the diversion of arms sales profits ever became public, the admiral said. He added that he never discussed the diversion with any official high in the Reagan administration until Mr. Meese launched an inquiry in November.
"The buck stops here with me," he said.
See INQUIRY, Page 6

'I made a very deliberate decision not to ask the president so that I could insulate him from the decision and provide some future deniability for him if it ever leaked out.'

— Rear Admiral John M. Poindexter

Poindexter Says He Sought 'To Protect' the President

The Associated Press
WASHINGTON — Following are excerpts of Wednesday's testimony by Rear Admiral John M. Poindexter to the House and Senate committees investigating the Iran-contra affair:
Arthur Liman, the chief Senate counsel: Admiral, are you familiar with the events of the Iran initiative?
Admiral Poindexter: Mr. Liman, I decline to answer that question under my rights under the Constitution.
Mr. Liman: Including the Fifth Amendment?
Admiral Poindexter: The Fifth Amendment.
Representative Lee H. Hamilton, the chairman of the House Select Committee: Admiral Poindexter, I am hereby communicating to you, an order issued to the House Select Committee, by the United States District Court, for the District of Columbia. The order provides, in substance, that you may not refuse to provide evidence on the basis of your privilege against self-incrimination.
Mr. Liman: During... November of 1985, did you get drawn into a...
See POINDEXTER, Page 6

Klosk Waldheim Gets Cairo Invitation

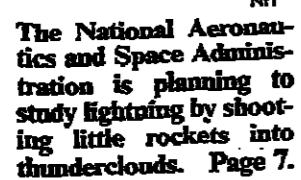
VIENNA (Reuters) — Foreign Minister Ernst Waldheim said Wednesday that he had invited President Kurt Waldheim of Austria to visit Egypt.
Mr. Abdel Meguid was speaking at a news conference before leaving for Cairo talks with Austrian leaders centering on moves to convene an international conference on the Middle East. He said a date for the visit had not been set.
Mr. Waldheim, who visited Jordan last week, has still to be publicly invited by a Western state, other than Vatican City, amid international concern over his role in the German Army in World War II.

Aspin Criticized for Giving Details Of U.S. Plan for Naval Escorts in Gulf

By John H. Cushman Jr.
New York Times Service
WASHINGTON — A leading congressman has drawn criticism from the Reagan administration for disclosing details of plans for U.S. escorts of Kuwaiti oil tankers after a briefing by cabinet members.
Administration officials immediately assailed the legislator, Representative Les Aspin, Democrat of Wisconsin, for disclosing on Tuesday what they termed classified information. They suggested that details of the operation might change as a result of the disclosure.
Mr. Aspin, who is the chairman of the Armed Services Committee, said he had been told that the escorts would begin July 22. The Senate minority leader, Bob Dole of Kansas, also confirmed that congressional leaders were told that the escorts would begin July 22.
Pentagon officials, surprised by the disclosure, said they would not confirm the date. The White House also refused Tuesday night to confirm the date.
Defense Secretary Casper W. Weinberger said Monday that the move was imminent, but that it was unlikely to occur this week. Other administration officials had said Tuesday that the operation was likely to begin next week.
Mr. Aspin made the announcement as he left a meeting on Capitol Hill where he and other congressional leaders were briefed by Mr. Weinberger, Secretary of State George P. Shultz, Admiral William J. Crowe Jr., the chairman of the Joint Chiefs of Staff, and Frank C. Carucci, President Ronald Reagan's national security adviser.
Mr. Aspin, who has opposed the

U.S. Charges Pakistani With Trying To Buy Metal Used in Atomic Arms

By Michael R. Gordon
New York Times Service
WASHINGTON — A Pakistani citizen has been arrested in Philadelphia on charges that he tried to export material to Pakistan that could be used in making nuclear weapons.
Members of Congress and Reagan administration officials said that the arrest Friday had major implications for U.S. policy toward Pakistan.
The Pakistani, Arshad Z. Pervez, was arrested after he allegedly sought to buy and send 25 tons of a special steel alloy to Pakistan. Mr. Pervez is being held without bail.
The arrest followed a 20-month undercover investigation in which American business executives pretended to go along with the sale of the banned material, and in which U.S. and Canadian investigators assumed the role of company officials and Commerce Department licensing officers.
Congress adopted legislation in 1985 stipulating that U.S. assistance should be cut off if the president found that a nation had tried to acquire American material illegally for making a nuclear device.
State Department officials said the United States had sought an explanation of the case from Pakistan but had not yet received one.
In June 1984, another Pakistani, Nazir Ahmed Vaid, was arrested in Houston while trying to smuggle krypton, electronic switches that can trigger nuclear bombs, to Pakistan. He was allowed to plead guilty to a reduced charge, was given a mild sentence and then deported.
Representative Stephen J. Solari, Democrat of New York, chairman of the House Foreign Affairs subcommittee on Asia, said Tuesday that Pakistan appeared to have exhibited "a blatant disregard for American law."
"If we don't enforce the law, it will make a mockery of our non-proliferation policy," he said.
Mr. Solari has supported administration requests to provide aid to Pakistan but he is also the sponsor of the 1985 congressional legislation.
"Pakistan's actions create a real dilemma for the United States," said Mr. Solari, who noted Paki-



The National Aeronautics and Space Administration is planning to study lightning by shooting little rockets into thunderclouds. Page 7.

GENERAL NEWS
■ Vietnam is testing capitalism to boost its economy. Page 2.
■ The French say Iran blocked the departure of two persons at its embassy in Tehran. Page 2.
■ The U.S.-Greek dispute over American military bases could weaken NATO. Page 3.
SPORTS
■ A 13th-inning triple by Tim Lincecum gave the National League a 2-0 victory in baseball's All-Star Game. Page 15.
BUSINESS/FINANCE
■ U.S. business inventories rose 0.7 percent in May in another sign of sluggishness. Page 9.
■ Oil prices rose to the highest level in 18 months as tension rose in the Gulf. Page 9.

Selling Luxembourg: Europe's Test Market?

By Peter Maass
International Herald Tribune
LUXEMBOURG — After a while, it gets tiresome being known as one of the world's tiniest nations.
True, Luxembourg is smaller than Rhode Island, and it has only 500 soldiers in its army, hardly enough for a decent parade. It is also true that the main airport has just one runway.
But for the 350,000 citizens of this nation, where small really is regarded as beautiful, the jokes turned stale a long time ago. There are advantages to being small — just ask Louis Mevis, director of the Luxembourg Institute for Social Research and Market Studies, a private firm.
Mr. Mevis is touting Luxembourg as a place where international companies can have small-scale tryouts of new products or new advertising campaigns. Because of Luxembourg's multinational makeup, a product or ad that works here could work in much of Western Europe, he contends.
"It's no longer sensible to do research in each European country," said Mr. Mevis, who is Dutch. "You should look for a centralized option. That's what Luxembourg offers."
If Europe has a melting pot, Luxembourg is probably it. Consider the following:
● Foreigners make up a quarter of the population, with most coming from France, West Germany and Belgium. A large number of second-generation Italians and Portuguese also call Luxembourg home.
● This is a country of consumers speaking French, German and English. The average income is among the highest in Western Europe.
● Nearly a third of the population listens to the same radio station at midday, and more than half of them shop at one of two supermarket chains. That means it is easy to reach consumers and gauge their reactions.
Quite simply, Mr. Mevis wants Luxembourg to become the West European equivalent of Peoria, Illinois. Peoria has been the quintessential American test market because it reputedly has a perfect cross-section of consumers. "Will it play in Peoria?" has become another way for asking whether America will like it.
But will it play in Luxembourg? Possibly. P&C Ferrero SpA, a large Italian food compa-

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FOR MORE
CLASSIFIED

In San Francisco, Haven For Homosexuals Copes Somberly With AIDS

By Robert Lindsey
New York Times Service

SAN FRANCISCO — In the once-bustling Castro district here, empty storefronts are beginning to appear and "for sale" signs are adorning many of the beautifully restored Victorian homes.

In this neighborhood that gained renown for its culture of openly expressed homosexuality, the predominant concern of the living is now dealing with death and dying. So many people have died of AIDS that many residents say they can no longer count the number of friends they have lost.

One resident, Kevin George, says that he lost out at 22. "You're always in mourning for someone," he said, "and you know there's going to be more."

Another resident, Allan Berube, said he had stopped counting at 30. "I'm learning how to incorporate grieving into my daily life," he said, "so it's now as much a part of my life as eating and sleeping."

acceptance and influence in San Francisco, many homosexuals elsewhere would say the Castro example made it easier to acknowledge their sexual preference. The neighborhood became both a symbol of success and a prototype for similar enclaves in other cities.

The late 1970s and early 1980s were a period of anything-goes sexual liberation for San Francisco's homosexual community. On some nights, thousands of men, many seminude or wearing costumes, women's clothing or heavily studded leather, overflowed onto the sidewalks, some taunting heterosexual couples who had ventured into their neighborhood as "breeders."

It was not uncommon for some men to have sexual contacts with 20 or 30 partners in an evening at bath houses featuring "orgy rooms" and other facilities designed to encourage multiple sexual contacts.

These days, all-male crowds still congregate at the Phoenix, the Twin Peaks, the Elephant Walk and other bars that have long been neighborhood fixtures. Young male hustlers still cruise Castro Street, offering with a quick glance the promise of sex for a price.



Prime Minister Andreas Papandreu announcing in May that any new accord with the United States over the future of U.S. bases in Greece would be put to a referendum.

U.S.-Greek Rift Seen Weakening NATO

By Alan Cowell
New York Times Service

ATHENS — Shortly after Washington's latest dispute with Athens erupted last month, the Greek authorities announced that Prime Minister Andreas Papandreu had exchanged letters with the Soviet leader, Mikhail S. Gorbachev.

The letters seemed businesslike and amicable. Mr. Gorbachev offered his agreement with "the unanimous demand of the Greek people" that the four main American bases in Greece, part of the defenses of the North Atlantic Treaty Organization, "should be removed from the country."

Mr. Papandreu was reported to have suggested that, whatever else happened to the American bases in Greece after the current agreement on them expires next year, they would not be used for hostile acts against friendly third powers. Presumably that includes the Russians and their allies.

the Western alliance and with precedents for other West European nations that are mistrustful of the United States and open to Moscow's antiwar overtures.

But to other Greek and foreign observers, the implication was that Mr. Papandreu had committed himself to the highest stakes yet in his protracted and often contradictory pursuit of an answer to a central issue: how to maintain the protection offered by an alliance with the United States without visibly renouncing on electoral promises to sever the military relationship with NATO and Washington.

The crisis built last month after the U.S. ambassador, Robert Vossler Keesley, protested to the Greeks about their purported negotiations with Abu Nidal.

day by saying a visit by a senior State Department official, Michael H. Armacost, would not be welcome until the United States retracted its charges regarding Abu Nidal.

Even before the latest crisis, Mr. Papandreu had irritated some U.S. policy makers by saying that any new agreement on the bases would be put to a referendum.

If recent public opinion polls in Athens reflect the reality, such a referendum would endorse any agreement on the bases depicted as protection against Turkey, a neighbor and NATO ally that is seen in Athens as the nation's greatest threat.

early elections. The government denied such plans.

Those elections, the reports said, would be contested on an anti-American platform and thus would pre-empt a loss of leftist support for Mr. Papandreu's Socialist Party resulting from a new deal with Washington on the American bases.

Mr. Papandreu's cordiality toward Mr. Gorbachev also might win leftist backing vital to his political survival, while goading Washington into concessions on a new base agreement, Greek commentators said. But that, too, seems hazardous.

Armed Citizens in Panama Join Police in Battling Protesters

By Stephen Kinzer
New York Times Service

PANAMA CITY — As anti-government protests in Panama enter a sixth week, demonstrators find themselves confronting not only uniformed soldiers and the riot police but also paramilitary squads of armed civilians.

On some occasions, the squads have appeared to be acting in cooperation with the police. Witnesses have identified prominent members of the ruling Democratic Revolutionary Party as participants in paramilitary activities.

an unknown number of protesters wounded or imprisoned. Most of the wounds were from shotgun pellets. Doctors attending Tatiana Gonzalez, 22, a student who was wounded in the confrontation, counted more than 60 pellets in her body, including a dozen that pockmarked the left side of her face.

"I'm willing to go back out and demonstrate right now," Miss Gonzalez said in an interview. "I know we don't have any weapons and they are the army. But now I hate them more than ever."

President Eric Arturo Delvalle announced Tuesday an amnesty for demonstrators arrested during the street protests last week.

Opposition leaders confirmed that detained demonstrators were being freed from Modelo Prison in Panama City. However, they noted that the government has not officially announced how many demonstrators were arrested. Opposition leaders say the number is from 300 to 600.

Government leaders, especially General Noriega, have characterized the demonstrators as well-to-do white bigots angered that blacks and Indians now hold positions of power in Panama.

"The demonstrators are white because those people don't like blacks," General Noriega said over the weekend.

the kind of human rights Noriega loves to talk about."

According to bankers and businessmen, Panama is suffering grave economic losses from the protests.

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FAA May Investigate Delta Air Lines Following Series of Flight Mishaps

Los Angeles Times Service

LOS ANGELES — The Federal Aviation Administration is considering an investigation of the operations of Delta Air Lines following at least 10 mishaps involving the carrier in recent weeks, according to a source in the agency.

In the latest of these incidents, reported Tuesday, a Delta airliner landed on the wrong runway in Boston and two Delta planes had to return to Cincinnati because of equipment failures.

The aviation agency source would not elaborate and other officials declined to comment on the probability of an investigation of the Atlanta-based airline. The officials restricted their comments to the individual incidents and said there is no preliminary evidence that they are linked by a "common thread."

"These incidents were aberrations," said Jim Ewing, a Delta representative. "Each one of these damned things stands on its own hook. They're not related."

"But we don't minimize these incidents," he added. "Everything is being looked at with a fine-tooth comb. When we get through, the action will be swift and decisive."

Delta spokesmen said there was no indication that ticket buyers were deserting the airline.

kilometers) off course in Canadian airspace when it narrowly missed a Continental Airlines Boeing 747, according to the Continental crew. The incident was followed by news reports two days later that the Delta crew urged the Continental crew via radio not to report it.

The Canadian Aviation Safety Board said that a few minutes after the close call with the Continental plane, the Delta L-1011 strayed into the path of a British Airways jet headed from London to Toronto. The board said that instead of maintaining the required 10-mile separation, the Delta plane closed to within seven miles.

The last major air crash involving a Delta plane occurred Aug. 2, 1985, when one of the fleet's L-1011s crashed while attempting to land at the Dallas-Fort Worth airport, killing 127 people. The National Transportation Safety Board blamed the crash on the crew's decision to land during a thunderstorm.

Demjanjuk's Defense Is in Disarray

By Glenn Frankel
Washington Post Service

JERUSALEM — The legal defense of John Demjanjuk, the accused Nazi death camp executioner, has been thrown into disarray because of a dispute among himself, his family and his lawyers over who should represent him during the last half of his war crimes trial here.

After an emotionally strained three-hour hearing Wednesday morning, the presiding judge, Dov Levin, gave Mr. Demjanjuk until Monday to decide whether to dismiss Mark O'Connor, who has been his attorney for the past five years, and replace him with two attorneys who have been part of the defense team.

the Treblinka extermination camp in central Poland.

Mr. Demjanjuk has denied all charges, saying he is a victim of mistaken identity. The proceeding is in recess until July 27 when Mr. Demjanjuk is expected to open the defense case by testifying in his own behalf.

Mr. Demjanjuk then asked for a chance to consult with his son-in-law.

After a recess, he told the judge that the decision to dismiss Mr. O'Connor had been made for him by his family.

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OPINION

Israel: Amid All the Lament, A Country Not Doing Badly

By A.M. Rosenthal

JERUSALEM — By the end of the first day, a journalist again visiting Israel is convinced that things have become so complicated that he knows nothing anymore, and that there are no solutions to anything.

By the end of the second day, he is convinced he knows too much. He is stuffed plump with facts and passionate opinions and has been offered at least two solutions to every problem facing not only Israel but the rest of the world.

ON MY MIND

where people talk openly and freely, among themselves and to strangers.

Political freedom may be gaining in the rest of the world but it has passed the Middle East by except for Israel. In the disputed West Bank, Arabs do not share in it. But there, too, it is taken for granted that Arabs, who may be terrified about saying even a private word against the PLO, publicly denounce the Israeli occupiers in speech and print.

Sometimes, Israel seems nothing but one big bag of troubles. Important visitors to Jerusalem clutch their heads in woe in the lobby of the King David Hotel, and the clucking of foreign tongues is heard loud in the land.

The top leadership of the country is in a messy tangle. Foreign Minister Shimon Peres has gone over the head of Prime Minister Yitzhak Shamir with a plan for an international peace conference. Their "unity" government could fall at any time. Meanwhile, inside Israel and out, the government has lost what the governments of Israel once cherished: a sense of dignity.

The embarrassing public fending came after Israeli leaders involved their country in spying on the United States and the arms-to-Iran fiasco. Thus they bumbled away the valuable myth that Israelis are smarter than others.

And all this on top of Israel's major problems: the antagonism of the Arab states that never allows Israel to put down the gun, and the psychic and political burden of being an occupation force in the West Bank and Gaza.

But Israel is more than one big woe. It is a striving, functioning, free country

and not doing all that badly, considering. Economically, it has beaten a 400 percent inflation that could have wrecked the nation; now inflation is about 15 percent. Unemployment remains at about 4 percent and investment is increasing. Politically, if the government falls, the one that will replace it will be freely chosen and, anyway, nobody loves a two-headed camel.

Mr. Peres's plan, which may bring down the government, is for an international conference that is supposed to get peace talks started among Israel, Jordan and the Palestinians. The Soviet Union would be invited and Mr. Peres's assumption is that the Russians would not make trouble by taking the Arab side against Israel and the United States. If the Russians squeeze too hard, Mr. Peres says, he will go home. What will they do, send tanks after me? he asks, which is a thought that might interest Mr. Shamir.

Mr. Peres does not know whether he can deliver a cooperative Israel, let alone a cooperative Soviet Union. To find out and get the conference under way he would have to oust Mr. Shamir, which he regards as a bearable prospect. But even though he may never get his conference, he has made his Israeli opponents realize that they had better come up with some ideas of their own instead of just standing pat. That counts as one piece of good news from Jerusalem.

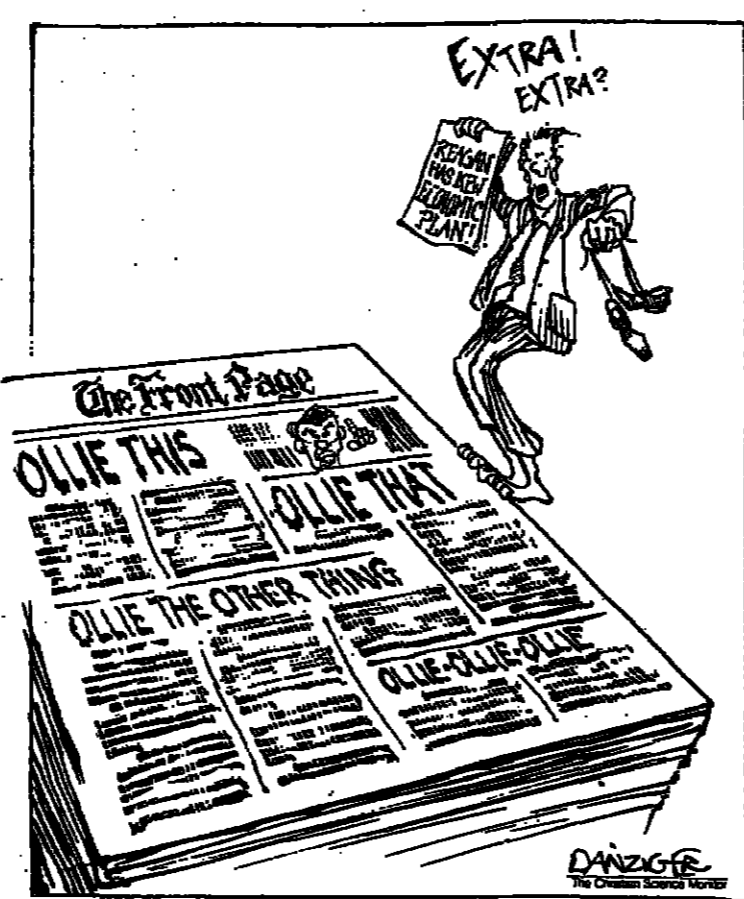
Another: For a while it looked as if the religious zealots would legislate that no Jew was a Jew who did not match their own religious self-portrait. There was a noisy debate in which the chief zealot made his point by denouncing an opponent as an anti-Semite. The move was beaten down, causing the chief zealot to become fiercely distraught. A bitter fight is part of Israel.

The other night Zabin Mehta, born in Bombay, led the Jews of his beloved Israeli Philharmonic in a crystalline performance of the long Eighth Symphony of Bruckner, a German. Nobody in the packed house stirred or coughed until Mr. Mehta gave permission.

That is part of Israel, too. A country. An American said over coffee that Israelis seemed ruder than she had expected. Mayor Teddy Kolek of Jerusalem, who usually does not spare Israelis or their government his tongue, answered gently that perhaps rudeness could be expected among people who had been in concentration camps, maybe it was even a survival trait.

Sometimes, on a soft night by the sea in Tel Aviv or walking in the flowered hills of Jerusalem, Israel seems wonderfully lithe and young. But sometimes wrinkles and worry do show, which might be expected of a country recently turned 39, going on 2,000.

The New York Times



A Burial of British Socialism Is Again Premature

Regarding "A Turning Point in History: British Socialism's Demise" (June 18):

George F. Will has hit London and we all duly tremble. His rhetoric and passionate radical conservatism fit what he perceives to be the popular mood here.

But let's look at the facts. Thirty-one percent of the votes, though not good, is not terminal either. Forty-two percent, though not bad, does not betoken an overwhelming victory by Margaret Thatcher presaging the death of socialism. Mr. Will has found a young Cambridge fogey to say that Labor is now the party of the semiliterate and the semi-educated. This must be particularly true of the Scots, who this year gave British socialism its best ever result. And Labor has never been stronger in Manchester and Liverpool. For the first time in history there is not one conservative member of Parliament from either of these cities, or from Glasgow.

Mr. Thatcher did well because the opposition was split between Labor and the Alliance. Three million unemployed is no more a vote-winner for Labor than the many unemployed of the United States or West Germany are for the Democrats or the German Social Democrats. Dole queues don't swing elections.

Mr. Will makes great play of the hard left entering Parliament. The history of Britain's Parliament is a history of radicals making their mark. There have been much more dangerous radicals in Parlia-

ment's eccentric past. Hard-lefters have entered Parliament in successive waves this century, creating successive shock waves. They had names like Stafford Cripps, Aneurin Bevan and Manny Shinwell. One way or another they turned out in the end to have played an important part in the evolutionary process of parliamentary life. The alleged left loonies of today are said to contain four black members entering Parliament for the first time. Like their white forbears on the left they will doubtless play their part in providing a voice for their particular section of British society.

Labor has gone through more than one crisis in the past, whether over Ramsay MacDonald or the nuclear arms debates of the 1950s. All threatened to rip Labor apart while Mr. Will's emotional foreboding funeral. They were disappointed.

If, as Mr. Will's Cambridge interlocutor opines, Labor is now the party of the semiliterate and the semi-educated, so much the better—that was the constituency it set out to represent.

Why did Mr. Will seize on this election result as evidence of the death of British socialism while so many other commentators see evidence of the beginning of the rehabilitation of Labor?

Perhaps the answer is to be found in the particularly poisonous prose at the end of the fourth paragraph of his bilious tract, where he writes of Labor's

What About the Right to Be an Old Lady?

By Louise Canby

SILVER SPRING, Maryland — I have a guilty secret: I keep wanting to be an Old Lady. At 87, I surely qualify, but in the great warren of retirees where I live it is simply not allowed. We septuagenarian females are "senior citizens," complete with rights and panache. I must dress young. I may look like mutton but I must get myself up as lamb. If I am to see my friends, I must attend meetings and lectures, for they all will be at them. A club for everything, and everyone in a club. Social life must

Their days were spent at home, sitting. Oh, how they sat. They sat upright in straight chairs, they overflowed cushioned rockers. They sat to sew on buttons and to darn socks, on the back porch to shell peas, on the front porch to observe neighbors. They sat to rock babies and to read to older children.

Mass sitting was achieved by the fortunate, on the verandas of summer resorts where the Rocking Chair Fleet, that redoubtable assembly of their contemporaries, gave welcome relief from the three-generational household that was their inevitable habitat. For, of course, they lived with one of their children.

And there's the rub. She who had been a major-general in her own home found herself of a sudden—all love and consideration notwithstanding—with no more authority than a corporal. The daughter—it was usually a daughter who took over—was caught up in a whirl of children's music lessons and dental appointments, causes that to the mother seemed odd if not revolutionary. Meal-times could be erratic, and the food likely less in accord with what she had taught her daughter than with what the son-in-law's mother had fed him.

There were many grandmothers who

passed this test cum laude and became a benediction to the home, but it could not have been easy. Oh, no. My private burrow in this warren is much better, my independence precious. I will recant my heresy and give proper thanks for my freedom here to live exactly as I please.

Then why this unfulfillment? Independence, did I say? Independent as a sheep! In my dogged pursuit of youthfulness I have embraced youth's weakness: I have yielded to peer pressure. I have been a sap. Why should I make myself keep up with the swim when what I really want to do is float? What harm in idle moments? I want just to sit for a bit, look out the window at the buds bursting, the snow falling. To label old family photographs.

Of course, I will keep up the bit of volunteer work I still am good for, and read the news. And it is possible that, in doing it, I shall still have one toe in the swim. All this is only what it truly pleases me to do. For is not "natural" the ultimate in modern slogans—the one that rules cereal ads and justifies the free rein given the whims of children? I shall embrace that word, do what is natural to my age, and be a Natural Old Lady.

The writer, who lives in a suburb of Washington, D.C., contributed this comment to The Washington Post.

MEANWHILE

be pursued, and even romance is not quite ruled out. Body as well as mind must be exercised, at pool or golf links, and I must never, never get fat.

It is all so laudable. We are abreast of the times, on the ball, cool. Why should I think wistfully of the life once lived by the grandmothers of my childhood. I remember them well. As a group they were easily distinguishable; no male eye was ever deceived by a rear view. They dressed in black, a white ruching at the throat, and should a necktie dip below the collarbone, a guimpe of net and small whalebones carried decorum almost to the ears. Showers were kept near and rubbers handy for any excursion into the damp beyond the porch.

LETTERS TO THE EDITOR

misfortunes: "That is what happens when you raise property taxes 62 percent to hire an army of homosexual-rights and race-relations bureaucrats." DONALD ARMOUR, GARETH BUTLER, London.

A Reunited Germany

Regarding "Now Comes a German Swing to the East" (July 8):

As a simple West German citizen, I do not see Michel Jobert's problem. Would he not want to have a divided France reunited? Are these dreams so bad? Did the world not applaud when Willy Brandt received the Nobel Peace Prize for his Ostpolitik? Doesn't the European Community profit in one way or another from any positive economic relationship within its ranks? Should God and the world worry because Mr. Jobert does not believe in self-determination for all?

WILHELM G. ERCKMANN, Plaisir, France.

Bad Loans, Now Bad Losers

Regarding "Latin Debt: Let's Keep Muddling Through" (July 6):

What were David Rockefeller and his cronies thinking when they loaned all those billions to Latin American countries? Surely they knew in advance that their fat cat Latin American counterparts and the corrupt politicians would skim off the cream and leave just a little,

but never quite enough, to help the people of these countries. Now, the people are even more impoverished and enslaved, saddled by an enormous debt they can never hope to pay off.

The fact is that the "international bankers" so grossly overstepped their bounds in the interests of avarice that their bad loans threaten to collapse the world financial system. In spite of this, Mr. Rockefeller is asking to be allowed to "muddle through." He should be allowed to, and allowed to take his losses. But alone, not under the guise of it being, for the American people, "the most efficient and least expensive vehicle they have to protect their self-interest."

Honestly, Mr. Rockefeller, about whose self-interest are you speaking? MICHAEL MCGINNIS, Paris.

An Answer: Dumb Question

Let's take that question again: If you have three people and person No. 1 was introduced to person No. 2, and person No. 2 was introduced to person No. 3, can you deduce that person No. 1 was introduced to person No. 3?

According to the people responsible for the Wonderlic Personnel Test, given to National Football League draft prospects, the answer is no, you cannot, wise guy ("Knowing the Score Before the Kick-off," Sports, June 27).

But in terms of the question, you are dealing here with a total of three people, and if person No. 1 was not already

introduced to person No. 3, then who is going to do the honors to bring persons No. 2 and No. 3 together? In other words, if person No. 2 is introduced to person No. 3, it can only be by person No. 1, who therefore must already know No. 3 or introduce himself/herself first.

This is an interesting feature of many test questions: Several answers are correct, but only the least imaginative correct answer is allowed. An inflexible authority punishes the person taking the test for seeing more implications than the inflexible authority did. It's O.K. to do this to big jocks with college educations behind them, who probably have learned to defend themselves by now, but the sad fact is that these double-blind, no-win questions are regularly inflicted on school children.

BOB FIEDLER, Allschwil, Switzerland.

The Wheels of Ill Fortune

We are three American students who were touring Europe by bike. After only two days in France, the locks on our bikes were cut and all three bikes were stolen. Having lost our sole means of transportation we took the first train out of that inhospitable country. We are now in Italy trying to reorganize our plans. We can only hope that the three French men or women who have our bikes are putting them to good use.

TERESA M. FIELDS, San Donà de Piave, Italy.

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NOTES ON A CENTURY The Herald in the Late Forties: Lots More Color than Money. Includes a photo of a newspaper page with 'TRAVEL TOPICS' and 'ANOTHER CLIPPER EXTRA'.

COME BLACK JACK! CASINO D'ENGHIEN, SO NEAR AND YOU'RE MILES AWAY. Includes a photo of a hand holding a card.

SCIENCE

A Rocket to Strike Lightning

By John Noble Wilford

New York Times Service

CAPE CANAVERAL, Florida — Like latter-day Ben Franklin sending aloft rockets instead of kites, a team of 30 scientists is preparing to take aim at thunderclouds this week to extract powerful bolts of electricity as part of a far-reaching study of the causes and effects of lightning.

The lightning research program, sponsored by the National Aeronautics and Space Administration, will be doing deliberately what launchers of an Atlas-Centaur rocket did inadvertently earlier this year. The scientists will be sending their rockets up to trigger lightning. Instead of using a key on a kite string, in the Franklin manner, the scientists will be firing three-foot (one-meter) rockets, trailing a 2,100-foot wire, into the clouds. Each rocket, like a key or lightning rod, should attract the strong negative electric charge in the cloud and thus trigger a luminous, crackling surge of electricity down the wire to the ground — a lightning stroke.

An array of cameras, radio receivers and sensors will monitor the rocket-triggered lightning to give scientists what they hope will be a better understanding of the nature of lightning, how to protect against it and how to predict when and where it is most likely to strike.

Physicists who have made a career of studying lightning concede there is still much to learn. Lightning may well have sparked the chemical evolution of life on earth. It probably brought fire to early humans. It kills or injures many people each year and causes forest fires and other extensive property damage. Yet, for all the theories, the exact process of generating lightning remains a mystery.

Although NASA is immediately concerned with protecting its launching facilities here at the Kennedy Space Center and its space vehicles as they take off or land, the research is also expected to have applications in aviation, communications and power transmission lines as well as weather forecasting. Several universities, private industry and other government agencies are participating. French scientists are joining the effort.

This is the fifth summer of such research, and scientists had already learned enough to have prevented the Atlas-Centaur accident, according to space agency investigators. The accident investigation board concluded that Air Force meteorologists misinterpreted the lightning hazard information available that day and NASA launching officials should have recognized the

threatening weather and halted the countdown. The unmanned rocket took off and triggered a lightning bolt, which scrambled the vehicle's electronics. The rocket and its communications satellite, a \$160 million package tumbling out of control, were destroyed on a command from the ground.

William Jafferis, the NASA supervisor of the research program, said: "We have a forecast problem. We need a better warning system that tells us lightning is close to us." Some of the researchers will be monitoring electrical properties of the atmosphere on such days, but they will focus on conditions just before, during and after a rocket-triggered lightning stroke.

The launching pad for the small rockets presents a stark contrast to the huge shuttle towers eight miles to the south. It is a simple, unadorned wooden platform standing a few feet from the aptly named Mosquito Lagoon. The control center is housed at the edge of a nearby piney woods, in a mustard-colored caboose discarded by the Chesapeake & Ohio Railroad.

Scientists go on "alert" for a test any afternoon when the electric potential in the atmosphere, as monitored by ground detectors, reaches a negative or positive charge of 1,000 volts per meter. A fair-weather electric field is usually no more than 200 volts.

The diesel generator outside the caboose is switched on. The storm could cause disturbances in power from commercial lines, and the scientists must have a steady current for their instruments. Rockets are installed in the metal cylinders on the platform ready to fire. "If natural lightning occurs in the vicinity, we stop," Mr. Jafferis said. "Can't trigger it if it's already occurred."

As soon as meters show a negative atmospheric charge of 3,000 to 4,000 volts, a "triggerable field," the 10-second countdown begins on the command of the French launching controller.

The firings are scheduled to continue through September. For the first time, some of the rockets will be launched from a raft in the lagoon to establish a data base for the probability of a lightning strike to objects on water.

More often than not the rocket creates a bolt of lightning. When the rocket enters the lower layers of a thundercloud, where the negative charge is concentrated, it draws a massive flow of electricity down the wire. The current is so strong it vaporizes the wire. The downward negative current connects with the

positive charge propagated from the ground, completing the circuit and creating the crackling flash of brilliant light known as a lightning bolt.

Several researchers will concentrate on analyzing the bolt itself. Sensors at the platform will monitor the strength and oscillations of the current in the lightning. A "streak camera" developed by scientists at the State University of New York at Albany will photograph the lightning at various stages to help determine the velocity, magnitude and structure of the visible channel of electricity.

Other instruments on the ground, an infrared spectrophotograph and ultraviolet and visible radiometers, will examine the dimensions and physical properties of the plasma, or electrical gas, in the luminous channel known as a lightning stroke. The experiment, directed by Charles Weidman of the University of Arizona, will investigate the temperatures, electron density and cooling mechanism of the luminous channel.

An array of recording instruments will monitor the sounds of thunder in an effort to learn what causes the various claps and booms. "We're still at the stage of trying to understand the physical properties of lightning," said Philip Krider, a physicist at the University of Arizona who is participating in the research program. "Next we want to find out how lightning begins and forms."

Improvements in the ability to forecast lightning could depend on the results of experiments to determine electrical conditions in storm clouds prior to a lightning strike.

Dr. Krider's group, seeking to learn how clouds become electrified, has installed sensors in the ground to measure electric current flowing from the atmosphere to the ground under a thunderstorm. The measurements will be analyzed to see how strong the currents are, how they change with time, what happens to them when a rocket causes a lightning strike or when it does not. One aim is to learn how to interpret ground currents as indicators of lightning potential.

Several techniques are being tested to determine pre-lightning conditions in clouds. French scientists plan to continue research, begun last year, using a set of widely spaced radio receivers to detect static inside a cloud and, through a triangulation technique known as interferometry, locate its source. Further analysis could reveal the actual initiation process for lightning and

thus lead to an early-warning system for forecasters.

Scientists from NASA and the University of Florida will test a similar approach using antennas to measure the time of arrival of electromagnetic pulses. From these data they hope to determine the precise source of lightning activity. The knowledge could give forecasters a method for predicting lightning at least 20 minutes before the event.

An additional objective of the program involves testing the latest devices to protect against the effects of lightning strokes. Each bolt triggered by a rocket, for example, will strike a wire cage at the launching pad. This is a mockup of the lightning protection systems that surround facilities at the space center, such as fuel tanks and electronics units. NASA researchers want to know how well the complex of grounding wires shields against a known surge of electricity.

A regular electric power line also runs through the area of the launching pad so that engineers for the Electric Power Research Institute can test the effectiveness of new protective devices and learn how to design others.

In similar tests in previous summers, lightning was also directed to strike both banded and overhead telephone lines and to strike the fuselage of an aircraft suspended at the launching pad. Last year scientists from Lawrence Livermore Laboratories used the rocket-induced lightning to verify the effectiveness of a "lightning proof" canister designed to contain the triggering devices for underground nuclear tests in Nevada. The tests confirmed that the canister was invulnerable to the effects of lightning either to set off a detonation accidentally or to disable the triggering system, the engineers reported.

The small rockets going up to create lightning might well be the only ones launched at the Kennedy Space Center this summer, because of the lightning that struck the Atlas-Centaur rocket shortly after liftoff March 26. The final report by the accident investigation board, which is expected this month, will establish stricter weather rules for launchings, some of which could depend on the results of this summer's research program.

Meanwhile, another Atlas-Centaur that was to have been launched this month, and is the only NASA mission planned for the rest of the year, has been grounded indefinitely, pending modification to afford greater protection against lightning.



IN BRIEF

Russians Selling Space Photographs

THE SOVIET Union is stepping up plans to market photographs taken from satellites in space that have better resolution than those offered commercially in the West, according to Western space experts and Soviet officials. The initiative comes amid moves by the U.S. government to restrict such civilian operations for fear that high-resolution space photographs will reveal military secrets.

A Russian trade organization called Soyuzkarta has already sold photographs taken by Soviet spacecraft, according to a recent article in Izvestia that quoted the Soviet Union's chief cartographer, V. Yashchenko. He said Syria had made one purchase and that Australia, Kuwait, Angola, North Korea, Vietnam and East Germany had expressed interest.

The Soviet space photographs have a resolution as high as six meters, meaning that at best they can reveal objects of a size measuring six-by-six meters (19.6 by 19.6 feet) on Earth. In contrast, a French civilian satellite called SPOT has a resolution of about 10 meters, and the American satellite system Landsat has a resolution of 30 meters.

Saving Frescoes in Nefertari's Tomb

ONE OF the more spectacular tombs of ancient Egypt, the 3,200-year-old burial chamber of Nefertari, Ramses II's favorite wife, has undergone emergency repairs by an international team of scientists and art restorers. They applied several thousand strips of gauze and rice paper to hold together the flaking wall paintings until a comprehensive restoration is begun on this imperiled monument of the ancient pharaohs.

The wall paintings, the most spectacular feature of the tomb, portray Nefertari in vivid colors as a woman of great elegance adorned with elaborate jewelry and garments. But investigators found that about 20 percent of the murals have been lost to dampness and decay. The remaining murals suffered peeling paint and loose plaster. Paolo Mora, an Italian art conservator who directed repairs, said the treatments were reversible and would have no effect on later, more comprehensive work.

Sugar May Affect Immune Defenses

TOO MUCH sugar in the blood may depress a person's immune defenses by distorting the chemistry of antibodies, a Japanese scientist has concluded after a study that compared diabetics with other adults.

It is often observed that diabetic patients are abnormally susceptible to infection, but the reasons for this condition are unknown. Recent studies have shown that sugar molecules tend to be incorporated abnormally into many proteins of diabetes, including the blood pigment hemoglobin.

Dr. Hideaki Kanesterg of Tokai University School of Medicine wondered if this same abnormal glycosylation — incorporation of sugar — might be a factor in the depressed immunity of diabetics, particularly those whose blood sugar levels were not well-controlled. He tested this hypothesis by a study of 35 adult diabetics and 14 non-diabetics and found that antibodies, the immune defense proteins, were indeed "sugared," in diabetics. The evidence, reported in Diabetes, a journal of the American Diabetes Association, indicated that the abnormal sugaring of the antibodies did indeed compromise their function in defending against infection.

Full-Time Work and Motherhood

FIRST-BORN children whose mothers worked full time in the child's first year may be less responsive to their mothers than those whose mothers stayed at home, a study has found.

Forty-seven percent of first-born children of working mothers demonstrated unresponsive behavior toward them, the researchers said. Among first-born children of mothers who stayed at home, the figure was 25 percent. The study involved middle-class children, and those whose mothers worked were cared for at home by a non-relative, said Dr. Peter Barglow, an associate professor of psychiatry at the University of Chicago who was one of the authors. The study confirms previous findings among infants in poor families.

The study, whose results will be published next month in Child Development, was conducted by researchers at the University of Chicago and the University of Illinois at Chicago.

NYSE Most Actives table with columns for Vol, High, Low, Last, Chg.

Market Sales table with columns for NYSE 3 a.m. volume, NYSE prev. close, NYSE vol. volume, NYSE adv. volume, NYSE adv. volume, NYSE adv. volume.

NYSE Index table with columns for High, Previous, Low, Close, Today's P.M.

Wednesdays NYSE Closing Via The Associated Press

AMEX Diary table with columns for Class, Prev.

NASDAQ Index table with columns for Prev, Today, Week, Year, Close, 3 P.M., Adv.

AMEX Most Actives table with columns for Vol, High, Low, Last, Chg.

Dow Jones Bond Averages table with columns for Prev, Today, Close, High, Low, New High, New Low.

NYSE Diary table with columns for Class, Prev.

Odd-Lot Trading in N.Y. table with columns for Buy, Sell, % of 100.

Dow Jones Averages table with columns for Open, High, Low, Last, Chg.

Standard & Poor's Index table with columns for High, Previous, Low, Today's P.M., Adv.

Previous NASDAQ Diary table with columns for Class, Prev.

AMEX Stock Index table with columns for High, Previous, Close, Today.

Large table of stock prices with columns for 12 Month High, Low, Stock, Div, Yld, PE, % Chg, High, Low, Close, Chg.

Dow Up Slightly in Active Trade

NEW YORK — Prices on the New York Stock Exchange ended narrowly mixed Wednesday, according to preliminary figures, after a session day that saw the Dow Jones industrial average ease an early loss, move sharply higher and then give up most of that advance.

The Dow closed 2.39 higher at 2,483.74. On Tuesday the index soared 28.38 Tuesday to a record high of 2,481.35. In early trading, it dropped 15 points, then advanced to a 14-point gain.

At 3 P.M., declines led advancing issues by less than a 6-7 ratio. Volume amounted to about 175.9 million shares, up from 154.7 million in the same period Tuesday.

Prices were mixed in active trading of American Stock Exchange issues. Analysts said that foreign demand for stocks and speculation about a lowering of the prime rate to 8 percent from 8.25 percent helped the market ease initial losses.

To advance, the stock market sidestepped a falling dollar, plunging bonds, and soaring oil prices. The dollar and the bond market retreated early in the day, after the government reported the U.S. merchandise trade deficit for May widened to \$14.4 billion from a \$13.32 billion shortfall in April.

The trade deficit figure was on the high side of economists' expectations and far above the \$11 billion figure cited in rumors circulating on Wall Street Monday.

Table of stock prices with columns for 12 Month High, Low, Stock, Div, Yld, PE, % Chg, High, Low, Close, Chg.

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Wednesdays NYSE Closing

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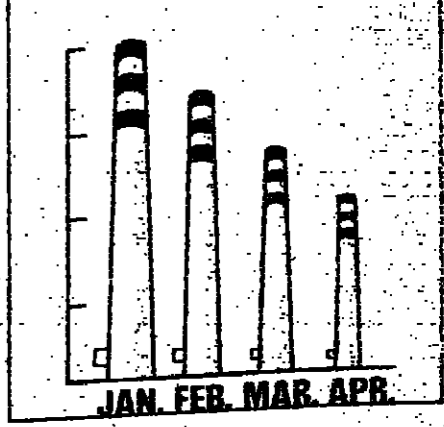
12 Month High Low Stock	Div. Yld. PE	52 High Low	Open
350	2.11	11.3	112
351	2.11	11.3	112
352	2.11	11.3	112
353	2.11	11.3	112
354	2.11	11.3	112
355	2.11	11.3	112
356	2.11	11.3	112
357	2.11	11.3	112
358	2.11	11.3	112
359	2.11	11.3	112
360	2.11	11.3	112

12 Month High Low Stock	Div. Yld. PE	52 High Low	Open
361	2.11	11.3	112
362	2.11	11.3	112
363	2.11	11.3	112
364	2.11	11.3	112
365	2.11	11.3	112
366	2.11	11.3	112
367	2.11	11.3	112
368	2.11	11.3	112
369	2.11	11.3	112
370	2.11	11.3	112

12 Month High Low Stock	Div. Yld. PE	52 High Low	Open
371	2.11	11.3	112
372	2.11	11.3	112
373	2.11	11.3	112
374	2.11	11.3	112
375	2.11	11.3	112
376	2.11	11.3	112
377	2.11	11.3	112
378	2.11	11.3	112
379	2.11	11.3	112
380	2.11	11.3	112

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AL-AM GROUP	AL-AM TRUST S.A.	AL-AM TRUST S.A.	AL-AM TRUST S.A.	AL-AM TRUST S.A.	AL-AM TRUST S.A.
AL-AM TRUST S.A.	1.12	1.12	1.12	1.12	1.12
AL-AM TRUST S.A.	1.12	1.12	1.12	1.12	1.12
AL-AM TRUST S.A.	1.12	1.12	1.12	1.12	1.12
AL-AM TRUST S.A.	1.12	1.12	1.12	1.12	1.12
AL-AM TRUST S.A.	1.12	1.12	1.12	1.12	1.12

12 Month High Low Stock	Div. Yld. PE	52 High Low	Open
381	2.11	11.3	112
382	2.11	11.3	112
383	2.11	11.3	112
384	2.11	11.3	112
385	2.11	11.3	112
386	2.11	11.3	112
387	2.11	11.3	112
388	2.11	11.3	112
389	2.11	11.3	112
390	2.11	11.3	112

Be sure that your fund is listed in this space. Write Matthew GREENE at 61359SF for further information.

Wednesday's NYSE Closing

Tables include the nationwide prices to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE St. 100 High Low Close Chg.

Table with 12 columns: 12 Month High, 12 Month Low, Stock, Div., Yld., PE, St. 100 High, 12 Month Low, Close, Chg.

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Table with 12 columns: 12 Month High, 12 Month Low, Stock, Div., Yld., PE, St. 100 High, 12 Month Low, Close, Chg.

U.S. Futures

July 15

Table with 12 columns: Symbol, High, Low, Open, High, Low, Close, Chg.

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Grains

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Metals

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Company Results

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NOTICE OF REDEMPTION AND TERMINATION OF CONVERSION RIGHTS. ITO-YOKADO CO., LTD. (Kabushiki Kaisha Ito-Yokado) (the "Company")

Asia Pacific Growth Fund. Weekly net asset value on 22nd July 1987 is 431.54. Stock Exchange.

REPUBLIC CLEARING CORPORATION. GOLD & SILVER. FINANCIAL INSTRUMENTS - STOCK INDEXES.

London Commodities. July 15. SUGAR, COFFEE, CATTLE, FEEDER CATTLE, HOGS, PORK BELLIES, SHEEP, GOATS, CATTLE, FEEDER CATTLE, HOGS, PORK BELLIES, SHEEP, GOATS.

Paris Commodities. July 15. SUGAR, COFFEE, CATTLE, FEEDER CATTLE, HOGS, PORK BELLIES, SHEEP, GOATS, CATTLE, FEEDER CATTLE, HOGS, PORK BELLIES, SHEEP, GOATS.

Spot Commodities. July 15. Commodities, Dividends, Ford Will Invest \$563 Million In Truck Line, DM Futures Options, U.S. Treasuries.

BUSINESS ROUNDUP

BankAmerica Renews Japan Appeal

TOKYO — BankAmerica Corp. has called a meeting here on Friday to solicit help from Japanese investors in its \$350 million plan to raise capital, financial sources said.

The BankAmerica vice chairman, Frank N. Newman, invited some 40 companies representing life insurance and other types of insurance in order to explain the \$100 million convertible preferred stock issue the company plans to use to boost its weakened equity base, the sources said.

Some major securities companies also were invited as prospective underwriters. BankAmerica reportedly held a similar meeting with Japanese banks last month.

A spokesman for BankAmerica declined comment but confirmed that Mr. Newman was in Tokyo.

The sources said Japanese insurance companies are generally re-

Salomon Loses the 'Father' Of Mortgage Securities

Los Angeles Times Service

NEW YORK — Lewis Ranieri, revered as the father of the mortgage securities market and regarded by many as heir apparent to the chairman of Salomon Bros., John H. Gutfreund, has resigned from the investment bank to pursue private entrepreneurial interests.

His surprise resignation Tuesday was viewed as a setback for Salomon, whose dominance of that key segment of the securities business is already being attacked by competitors such as First Boston Corp.

Salomon's supremacy in mortgage-backed securities is expected to be further threatened by the loss of Mr. Ranieri.

"I about fell out of my chair when I heard the news," said Barry Friedberg, a Merrill Lynch vice president. "On Wall Street, he's a legendary figure."

Mr. Ranieri, a 40-year-old New York native, started with Salomon Bros. 19 years ago as a \$70-a-week mail clerk and worked his way up, becoming vice chairman last year.

Axel Springer Posts Record Profits for 1986

Berlin — Axel Springer Verlag AG, the West German newspaper and magazine group, posted a record profit by the parent company of 94.5 million Deutsche marks (\$51.4 million) in 1986 after reporting 61 million DM the year before, said Peter Tamm, the management board chairman.

He said the company would propose an unchanged 12 DM dividend. Revenue in 1986 rose by 185 million marks to 2.66 billion.

Revenue in the first half of 1987 was 4.5 percent above the same period last year.

Balance sheet profit stayed near 1986 levels, he added, giving no further details.

Responding to recent press reports, Mr. Tamm read a statement by the Munich-based firm's distribu-

tor, Leo Kirch, that said Mr. Kirch had informed other major shareholders and the supervisory board that he wanted to raise his stake in the company from a current 10 percent of share capital.

Standard Chartered Sells First Capital Stake

SINGAPORE — The Singapore branch of Standard Chartered Bank PLC said Wednesday it had sold its 16.7 percent stake in a local investment firm, First Capital Corp. Ltd., for 62.7 million Singapore dollars (\$29.6 million).

It said its 27.28 million shares in First Capital were placed with two brokers, G. K. Goh Securities Pte. Ltd. and James Capel Far East Ltd., at 2.30 dollars a share.

maintaining noncommittal until they learn the details.

Last month, Mr. Newman asked 23 Japanese commercial banks to buy \$350 million in securities, comprising \$250 million in subordinated capital notes and \$100 million of convertible preferred stock.

Banking sources said BankAmerica later expressed hope that Japanese banks would buy the subordinated notes and insurance companies the preferred stock.

Specific terms of the planned preferred stock issue are not known, but a document circulated to banks by Mr. Newman last month showed the convertible preferred stock would carry a dividend rate equivalent to three-month London interbank offered rate plus an undecided premium.

There will be no sinking fund for the preferred stock, which will have 10-year warrants attached to buy BankAmerica common stock, the document said.

It also said a fixed-rate alternative was possible on the planned stock issue and that BankAmerica was open to raising funds in yen, if that was desirable to the Japanese.

Most Japanese banks still remain noncommittal because participation could undermine efforts to boost primary capital, banking sources said.

Banks would be required to deduct the value of such subordinated notes from their primary capital under regulations proposed by U.S. and British authorities.

Many Japanese banks are sympathetic toward BankAmerica's financial plight, but they will remain reluctant to participate in the subordinated note issue unless the capital adequacy problem is settled, the banking sources said.

Mr. Tamm denied West German media reports that Mr. Kirch already had 26.10 percent of the company.

The statement said Mr. Kirch was conferring with other large shareholders, the heirs of founder Axel Springer who hold 26.1 percent and Burda Verwaltungen KG with 24.9 percent, to cooperate on publishing and television within the Springer group.

The Springer heirs and the supervisory board member, Wilhelm Christians, who is also joint chief executive of Deutsche Bank AG, already had agreed to the suggestion, Mr. Kirch said.

The newspaper business accounted for 65.5 percent of the total 1986 revenue, a rise of 7.4 percent, and magazines accounted for 24.2 percent, up 2.4 percent.

Foreign Banks Find Sweden Tough to Crack

STOCKHOLM — Foreign banks leaped at the chance to open subsidiaries in Sweden when banking laws were eased last year, but many are already licking their wounds, with one withdrawal already announced.

Banque Paribas, one of five French banks to enter the Swedish market, said in May it was closing its subsidiary after posting a loss of 3 million Swedish kronor (about \$466,000) in 1986. But it will maintain a representative office.

Other international bankers say that a management shake-up is under way at Credit Lyonnais that could lead to its withdrawal.

But the deputy managing director, Benoît Nusbaumer, said, "There is absolutely no question of reducing our presence here."

"It is a difficult market and the picture is not that rosy, but we have good reasons to stay."

He declined to comment on any management changes.

However, one French banker, who declined to be named, said, "There will be other casualties. There are far too many French banks in the market."

The seven other banks that applied for licenses from the Swedish Treasury in January 1986 are Norwegian, Finnish and American. They also have found it tough, although Norway's Den norske Creditbank and Christiania Bank did show modest profits at the end of 1986.

Den norske's managing director, Arne Silvdahl, said that his bank's pretax profit of 302 million kronor resulted partly from the bank's decision to concentrate resources on the domestic Swedish market, and make use of Sweden's booming capital markets to increase narrow profit margins.

"We are building up our loan portfolio," he said, "but it is a very tough, competitive area because profit margins are so small. You need to know what sectors to concentrate on."

The managing director of Citibank's operation, Bo Hammerich, agreed that the market was extremely tight. "This is a highly competitive, high-cost environment," he said, "but Citibank's commitment to Sweden is serious and long-term."

"It is extremely unusual for a bank to be profitable in its first year of operations," he added. "We view Sweden as a long-term investment."

The attraction of Sweden for foreign banks, apart from its cash-rich corporate sector, is a rapidly expanding credit market, foreign bankers say.

But they said that Japanese and British banks were unlikely to try to enter the market until Swedish banking laws are further relaxed.

Grundig Has First Profit In 4 Years

FURTH, West Germany — The electronics group Grundig AG said Wednesday it returned to profitability in the year ended March 31, posting a group net of 110 million Deutsche marks (\$59.7 million) after three years of losses.

Grundig, which is controlled by Philips NV of the Netherlands, had group losses of 49 million DM the previous year, 185 million DM in 1984-85 and 286 million DM in 1983-84.

Revenue rose 7 percent in the year ended in March, to 3.1 billion DM from 2.9 billion DM. Grundig's managing board chairman, Hermann Koning, said. He attributed the increase in part to the World Cup soccer matches last year, which raised television sales.

Another managing board member, Pieter de Jung, said that increased productivity and investment also contributed to Grundig's return to profitability.

Mr. Koning said that the company would have to persevere with efforts to automate and restructure its operations to keep up with fierce competition from the Far East.

Grundig has redesigned its videocassette recorder plant in Langwasser, West Germany, and has begun efforts to increase capacity at television plants in Langwasser and Vienna. Mr. de Jung said.

TRANSPACIFIC FUND
société anonyme

14, rue Aldringen - Luxembourg
Registered Office Section B N° 8576

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of shareholders of TRANSPACIFIC FUND will be held at its registered office, 14, Rue Aldringen, Luxembourg, on Tuesday, July 28th, 1987 at 11.00 a.m. to discuss and vote upon the following agenda:

1. The report of the Board of Directors for the financial period ended 31st March 1987;
2. The report of the auditor;
3. The accounts for the financial period ended 31st March 1987;
4. The allocation of the net profits, and the determination of amount and date of payment of the dividend;
5. The resignation of the directors and the auditor for the financial period ended 31st March 1987;
6. Statutory nominations;
7. Renewal of the directors' mandates;
8. Other matters.

The resolutions on the agenda of the Annual General Shareholders Meeting do not require a specific quorum and will be adopted if approved by a majority of the shares present or represented.

To attend the Annual General Shareholders Meeting of July 28th, 1987 the names of owners of registered shares should be recorded in the company's register of stockholders five working days prior to the Meeting and owners of bearer shares should deposit their shares at least five working days prior to the meeting with one of the following banks:


- Banque de Neufbris, Schlumberger, Mallet
- 3, Avenue Hoche, Paris 8^e
- Algemeene Bank Nederland N.V.
- 32, Vijzelstraat, Amsterdam
- Bank Mees & Hope N.V.
- 548, Herengracht, Amsterdam C
- Banque Générale de Luxembourg S.A.
- 14, Rue Aldringen, Luxembourg
- Société Générale de Belgique (Suisse) S.A.
- 2, Boulevard de Théâtre, Genève.

THE BOARD OF DIRECTORS

LLOYDS EUROFINANCE N.V.
Copies of the audited accounts of Lloyds Eurofinance N.V. for the year ended 31st December, 1986, are now available from:—

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71 LOMBARD STREET, LONDON EC3P 3BS

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ASSET MANAGEMENT
AND INVESTMENT BANKING**

IMI is the leader in Italian corporate finance, specializing in medium and long-term credit. The IMI Group is also a leader in merchant banking, personal financial services and asset management. Because of this, our clients can take advantage of a unique combination of corporate financial services of the highest quality (including commercial banking, security and equity investment and capital market

Consolidated Highlights at March 31, 1987
(Dollars in millions)

Outstanding loans	21,959
Assets under management	18,538
Shareholders' equity	2,940
Allowances for losses	562
Net income	465

(1 U.S. \$ = 1,286.9 lire)

services). In establishing its presence in the international markets the IMI Group has formed merchant banking subsidiaries in the United Kingdom - IMI Capital Markets (UK) Ltd. - and in the United States - IMI Capital Markets USA Corp. These subsidiaries, as well as a range of other subsidiaries, are controlled by IMI International S.A., Luxembourg (whose capital amounts to \$ 250 million).

ISTITUTO MOBILIARE ITALIANO
Head Office in Rome, Viale dell'Arte, 25

These securities having been sold, this announcement appears as a matter of record only.

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Repap Enterprises Corporation Inc.

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5,500,000 Subordinate Voting Shares

Price: Cdn. \$14.375 per share

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Swiss Bank Corporation International Limited	Deutsche Bank Capital Markets Limited	Skandinaviska Enskilda Limited
Geoffrion, Leclerc Inc.	Lévesque, Beaubien Inc.	Wood Gundy Inc.

Richardson Greenshields of Canada (U.K.) Limited

3,500,000 Shares Offered in Canada by:

Lévesque, Beaubien Inc.	Burns Fry Limited	Richardson Greenshields of Canada Limited
Pemberton Houston Willoughby Bell Gouinlock Inc.	Geoffrion, Leclerc Inc.	Wood Gundy Inc.

Wednesdays AMEX 3pm. Via The Associated Press

Market data tables including AMEX, 12 Month High/Low/Stock, and various international market indices.

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Floating-Rate Notes

Table of Floating-Rate Notes with columns for currency (Dollars, Pounds Sterling, Deutsche Marks, Japanese Yen), issuer, and rate.

African Nations Expected \$200 Million Debt Forgiveness

ADDIS ABABA, Ethiopia — Fifty countries, at a meeting of their foreign ministers next week, will probably ask their governments to forgive about \$200 million of the total debt, estimated at \$2.3 billion, of an Organization of African States.

Weekly net asset value

Tokyo Pacific Holdings N.V. on July 13, 1987: U.S. \$183.95. Listed on the Amsterdam Stock Exchange.

CURRENCY MARKETS

DOLLAR: Wider Trade Deficit Knocks Down Currency

(Continued from first finance page)
cit had "turned the corner" and was beginning to shrink.
The Reagan administration sought to maintain that stance Wednesday. Commerce Secretary Malcolm Baldrige asserted that the trade deficit was improving despite "occasional monthly setbacks."

London Dollar Rates
Currency Week Twd.
Deutsche mark 1.628 1.638
French franc 1.478 1.488
Swiss franc 1.468 1.478

since the trade figure, but many people are surprised and disappointed," Mr. McGroarty said.
The deficit was not indicative of a major turning point in the trade situation, which quite a few people were looking for.

EC Suggests Plan To Narrow Rates Of Excise, VAT
BRUSSELS — The European Community Commission proposed on Wednesday a sweeping and controversial revision of tax rates that EC consumers pay on a broad array of goods, ranging from cars to caviar to cigarettes.

There is very limited room for the dollar on the upside," Mr. Menzel said.
The likelihood of a further decline is substantial, and I think we could see 1.70 DM, the historic low since Bretton Woods, tested before the year is out.

CORONA: U.S. Yuppies Adopt Mexican Beer, Now No. 2 Imported Brew

(Continued from first finance page)
in southern Florida, Boston and Atlanta, Mr. Alvarez said.
Our plans were ambitious, but they have been affected by the continued growth of Corona in established markets.



Mexico's Corona Extra, the second-best-selling imported beer in the United States, served with a wedge of lime at the Marix Tex Mex Playa restaurant in Santa Monica, California.

As much as Budweiser, the best-selling domestically produced beer made by Anheuser-Busch Co., which also makes Michelob. And it costs a few cents more than the popular brew from Heineken NV of the Netherlands. But the Mexican import has displaced Heineken as the No. 1 imported beer in California, Texas and Colorado.

possible for any manufacturer to keep up," said Mr. Mazzoni of Barton Brands.
To quench Americans' thirst for Corona, Modelo is considering building a new brewery near the border. That would take three years, so the brewery plans to increase exports from some of its six outlying plants by year's end and to resume its plans to expand in the Eastern states.

Mexican peasant beer," explained Michael Jackson, the London-based author of "The World Guide to Beer," a study of international brewers.
Now logically, if they want to drink a working-class beer, they'd drink Pilsner, another American brand.

Amid Push for Trade, Soviet Debates Convertibility for Ruble

MOSCOW — The Soviet Union is debating whether to allow the ruble to be converted into foreign currencies on a limited basis as part of its drive for a wider role in world markets, Western economists say.

is strong enough to avoid a sharp devaluation. He said that convertibility might be allowed in about 15 years.

one-sixth to one-seventh of its official price of \$1.56.
Currency rates within Comecon, the Communist trade bloc, are complex. The ruble's official rate against the Hungarian forint and the Polish zloty, for example, does not always relate to the forint's rate against the zloty.

Some Soviet strategists hope initially to make the ruble convertible into the currencies of the nation's East European allies, the economists said, with convertibility into the dollar and other Western currencies a long-term prospect.

Wednesday's OTC Prices

NASDAQ prices as of 2 P.M. New York time.
Via The Associated Press.

Table of OTC prices for various stocks, including ABC, AIG, AIZ, etc.

Table of stock prices for various companies, including AIG, AIZ, ALC, etc.

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PEOPLE

ART BUCHWALD Summer One-Liners

WASHINGTON — It's summer, and of course you want to impress people you meet for the first time. This is what to say to get their undivided attention. "Jim and Tammy Bakker are going to house-sit for us this summer."



Buchwald

Film Directors Guild

Agrees to 3-Year Pact

LOS ANGELES — The Directors Guild of America has reached a tentative agreement with movie and television producers, halting the first strike in the industry's history only five minutes before the picket lines went up.

'Snow White' Is 50, Her Magic Undimmed

By John Culhane

BEFORE Steven Spielberg and George Lucas, before "The Wizard of Oz," before all other animated cartoon features, there was Walt Disney's "Snow White and the Seven Dwarfs."



Snow White and some of her forest friends, whose depiction won critical praise.

It will open once again in New York and 60 countries around the globe Friday, including the Soviet Union and the People's Republic of China. The return of this 50-year-old film for its seventh and "Golden Anniversary" rerelease prompts a consideration of the revolutionary effect "Snow White and the Seven Dwarfs" had in its first release — on the film industry, on the moving picture public all over the world and on some of the greatest artists of the 20th century.

In 1934, when Disney announced his intention of making the first feature-length animated cartoon — perhaps costing as much as \$250,000 — well-wishers told him he was crazy. There was a Hollywood truism that fantasies were failures at the box office, the public wouldn't sit through so long a cartoon, an adult audience wouldn't even go to see a fairy tale, and the juvenile audience wasn't large enough to pay for the cost of production.

Disney, who always said that self-confidence was the most important element of success, listened politely and made the feature anyway — at a final cost of \$1.5 million in mostly borrowed dollars. "Snow White and the Seven Dwarfs" had its premiere in Hollywood on Dec. 21, 1937, and grossed \$8 million in its first weeks — at that time, the most money a film had ever made. It played in 41 countries and soon had sound tracks in 10 different languages.

By now, it has grossed about \$330 million worldwide — so it ranks as one of the most popular films ever made. People from Brooklyn to Bangkok can still recite the names of the seven dwarfs in the Disney version (they didn't have names in the original fairy tale as written down in the last century by the Brothers Grimm).

Seven years after the premiere, in an article for Film Review in Britain, Michael Powell, having just written and directed "The Red Shoes," called Disney "one of the three persons necessary to the evolution of filmmaking — Griffith, the master showman; Chaplin, the lonely genius; Disney, the experimenter and planner, the director of the future, full partake of all of them; without them he could not exist, whether he ever heard of them or not."

Disney tried to sum up what Disney had done with "Snow White." "At one stride, with this feature-length cartoon in color, for making which he had been ridiculed, Disney became one of the world's greatest film producers."

In "Snow White," Disney abolished naturalism, established stylistic settings and backgrounds (echoed recently in Laurence Olivier's "Henry V"), controlled his design of color and sound (a feat not yet in the power of any other producer) and held audiences enraptured all over the world.

After the Hollywood premiere of "Snow White," Charlie Chaplin, who was present, told the Los Angeles Times that the film "even surpassed our high expectations. In Dwarf Dopey, Disney has created one of the greatest comedians of all time."

The design of "Snow White," for example, influenced directors as disparate as Orson Welles and Federico Fellini. Indeed, the opening scene of Orson Welles' "Citizen Kane" in 1941 — a castle at night with one lighted window where Kane is dying — is the same as the establishing shot in "Snow White" — a castle at night with one lighted window where the Queen consults her Magic Mirror after she thinks she has had Snow White killed.

Fellini's homage to "Snow White" was overtly acknowledged: When he made "Juliet of the Spirits" in 1965, he noted in the screenplay that the woman who portrays Julietta Mastina, the character who plays the Queen in Disney's "Snow White."

For critics attuned to the actual motion in motion pictures, such as Otis Ferguson of The New Republic, it was the animation — the sequence of motion and fact which made the emotion, in Hemingway's phrase — that was the greatness of the film.

The score of "Snow White," by Frank Churchill and Larry Morey, Paul J. Smith and Leigh Harline, brought sound-and-sight consonance to a new degree of perfection. In 1939, Lewis Jacobs, in the history "The Rise of the American Film," wrote that "basic musical themes are identified with each of the characters. Snow White and the Prince have their own variations of love ballads; each of the dwarfs has his own identifiable theme in a splendid, grave movement. The birds, which Queen is announced by a sinister motif. Sequences as well have their particular melodic accompaniments: the mirror scenes, a mysterious of eerie quality; the plotting and which's brew episode, a grim tonal foreboding, which developed into a dramatic furioso that hurled the Queen over the precipice in a hurricane-of sound."

Exccerpted from an article in The New York Times. John Culhane is the author of "Walt Disney's Fantasies."

9-Year-Old Gets Money

From IRS — And More

A 9-year-old girl whose \$70.76 savings account was seized by the Internal Revenue Service to pay her grandfather's back taxes will get her money back, a bank official said Tuesday. Actually, she'll wind up with twice that much because a family friend had decided before the IRS changed its mind to give the girl an equal amount. Cammie Fisher of Junction City, Oregon, learned Monday that the pennies she had been depositing in the account for six years had been seized by the IRS. The account was in her name, but listed her grandmother, Bettye Fisher, as guardian. Within hours after a newspaper printed the story, the IRS relented.

The court-appointed guardian for Betty M. is seeking \$140,000 for her services during the landmark trial on surrogate parenting, a lawsuit for the child's father said Tuesday. Jayman A. Abraham, appointed last year to represent the interests of the child, filed papers in Hackensack, New Jersey, seeking payment. "It falls into a reasonable rate for what we think was the amount of time spent on the case," said Gary N. Skoloff, the lawyer representing William and Elizabeth Stern. The Sterns were awarded custody of the baby they named Melissa on March 31 after the trial.

Maddams, 45, has decided to follow the advice of his personal physician and not undergo an experimental form of brain surgery to treat his Parkinson's syndrome. In Mexico City Monday night, Dr. Ignacio Madrazo, a neurosurgeon, told ABC's Monday Sportsnight that there was a "great chance" he would perform the operation on "Alli Parkinson's syndrome is a mild form of Parkinson's disease, which is a degenerative affliction characterized by tremors and muscular rigidity."

Maddams, the "Material Girl" donated the proceeds of a \$400,000 Madison Square Garden concert for AIDS Research. Maddams agreed to do the benefit in New York as a way of thanking the foundation for helping a friend, Martin Burgoyne, who died of complications from acquired immune deficiency syndrome last November.

INTERNATIONAL CLASSIFIED

Large classified section containing various international listings such as Real Estate, Employment, Business Opportunities, and Autos Tax Free. Includes sub-sections for French Provinces, Switzerland, and various job openings.